

EXHIBIT 62

REDACTED

LEGALLY PRIVILEGED AND CONFIDENTIAL

RPO brief

Contact [REDACTED] March 2016

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Contents

Background

(Part 1) Dynamic pricing comms and talking points (once finalized will be copied into go/rpo-comms).

(Part 2) PR Implications

Marketing talking points

(Part 3) Optimization observations by buyers

[REDACTED]

DBM and RPO

Impact of RPO on buyers

[REDACTED]

Related documents

Background

This document describes the history and recent developments in the RPO project. The goals are:

1. Agreement on new communications (if any) **prior to a broader marketing announcement**. Due to recent buyer observations it is possible reactive comms will be needed before the planned announcements of the project (Part 1 of the doc). The PR implications of this are in Part 2.
2. Provide a reference on how buyers and sellers have observed optimizations (including RPO) so far (Part 3 of the doc).

History of RPO:

- August 2014: Major update to HC and auction model (updates, comms doc for buy and sell)
- April 2015: Inventory based RPO launched
- Oct 2015: Cookie based RPO model introduced (launch/132012)
- Oct 2015: Mobile model (launch/138211)
- Jan 2016: Larger cookie model (launch/143103)

"Our goal has always been to help publishers thrive and create sustainable businesses with advertising. Programmatic buying is constantly evolving and changing the way buyers and sellers interact. As a technology provider for both buyers and sellers in the market, we're committed to helping the industry evolve while maintaining a healthy and growing programmatic ecosystem.

A big part of the programmatic world is the Open Auction where any buyer & seller can participate. Publishers spend countless hours gathering data and running post-auction analysis to update Open Auction pricing and priorities across their inventory. So in recent months, we've been working on dynamic pricing technology that algorithmically sets floor prices in the Open Auction to increase publisher revenue. With dynamic pricing, we use event level data available from previous auctions to predict what the bids will be on certain queries, and adjust the floor price accordingly on behalf of the publisher, subject to their settings.

We're constantly working to improve our Open Auction to benefit the ecosystem as a whole by maximizing publisher revenues and optimizing buyer return on investment. For many years Google has used optimization and machine learning techniques to improve the performance of all our ads products, and dynamic pricing is just one example of how we're extending these techniques to DoubleClick Ad Exchange."

Talking points for verbal use by both buy and sell:

EXTERNAL, VERBAL ONLY, TALKING POINTS (DO NOT put this in an email)

- Dynamic pricing in the open auction helps publishers more efficiently price inventory and improve their yield by automating the post-auction analysis they're already doing
 - On the Doubleclick Ad Exchange's Open Auction, buyers pay less than half of what they bid, on average. For example, in the typical AdX auction where a buyer bids \$5, the median amount paid is \$1.49. If a publisher was able to determine when a particular query may receive a \$5 bid, the publisher would set the reserve price nearer to \$5 to increase yield.
 - Big differences between buyer bids and pub payouts - a high "auction discount" - means lower yield for publishers. This leads to pubs not making inventory available in the Open Auction, or setting static floors too high, which limits inventory access for Open Auction buyers.
 - Because of high discounts in the Open Auction, publishers will try to extract more value from bids through multiple exchanges sequenced in a waterfall. This in turn leads to buyers seeing the query multiple times at different prices. It also increases end user latency, which decreases ad engagement resulting in lower buyer ROI.
 - Manually calculating reserve prices that maximize yield is hard for publishers to do effectively.

- Dynamic pricing is a progression of the manual or semi-automated methods publishers already use, or pay third parties to employ, in order to set Open Auction floor prices. We believe this helps the whole marketplace by increasing publisher yield and protecting buyers and consumers from inefficient, high latency waterfall methods.
- The AdX Auction model is 2nd price, as described in the Help Center
 - AdX runs a second price auction where the winner is the highest bid and the price is the larger of the 2nd bid and the floor price. In other words, the transaction price equals the price to beat to win the auction. This price is independent of the winner's bids. The auction is described in our [Auction Model](#) article:
 - "The Ad Exchange auction closing price is determined as the greater of the second-highest net bid in the Ad Exchange auction or the reserve price applied to that impression. In some cases, the auction may close at a price lower than the reserve price applied, due to auction optimizations. Sellers are paid the Ad Exchange closing price, net of Google's revenue share, but will receive, subject to the terms governing their use of Ad Exchange, no less than the min CPM applied to the auction."
- AdX dynamic pricing is not soft floors
 - As described above, with a prediction system like AdX's dynamic pricing, the price a buyer pays is not related to the bid in the present auction. With a soft floor, the price is derived directly from the bid. Prediction systems can never use all the information a buyer has to up to the most recent query. A predicted price also functions the same as a manually set one, and when set too high, there may be no auction winner. By comparison, a publisher strategy with multiple exchanges at different floors functions as a kind of soft floor.
- AdX dynamic pricing uses all event level AdX data
 - To price as intelligently as possible, all event level data from past Open Auctions may be considered (subject to contract terms). This means a buyer's historic bids may be used as part of the prediction model to set a price for them.
 - Please note inputs to dynamic pricing remain confidential to the buyer per the contract.

EXTERNAL, VERBAL ONLY, FAQs (Buyers, DO NOT EMAIL THIS TO CUSTOMERS):

Q: How does this change things for me as an Open Auction buyer? How should I adjust my bidding algorithm?

A: Ensure you're always bidding the value of the auction to you.

Q: You previously took a stand against any deviation from a pure second price auction. What changed?

A: We saw publishers trying to manually set Open Auction floor prices in a suboptimal way that hurt both buyers and sellers, so we created automated tools to help them while avoiding "soft floors" << also see note about 2nd price auction >>

Q: Will I have any way of knowing when the floor price I pay is set by this optimization?

A: Not at this time. Note also that you don't know today whether the floor price you pay was set by a competing bid, a contending booking from DFP, or a publisher-set floor price. So we are not reducing transparency.

Q: How does the dynamic pricing algorithm work?

A: The algorithm uses bidding and transaction data from previous auctions to predict what the bids are likely to be on certain segments of inventory, and adjusts the floor price accordingly on behalf of the publisher, subject to their settings.

Q: How does Google's dynamic pricing compare to similar offerings by other exchanges?

A: We cannot comment on how other exchanges do dynamic pricing.

--- DO NOT CHANGE ---

Q: Can buyers opt out?

A: There is no opt out for buyers on AdX from dynamic pricing in the Open Auction. If you wish to avoid dynamic pricing, you can work with publishers to buy through PA/PD/PG.

--- DO NOT CHANGE ---

Q: Does dynamic pricing apply to all buyers in the AdX Open Auction, including AdWords?

A: All Open Auction buyers on AdX, including AdWords, are subject to dynamic pricing, there is no opt out.

Q: How much more am I charged?

A: Dynamic pricing has no effect on most Open Auction queries - right now it affects the winning price for fewer than 20% of impressions bought by RTB buyers. We expect that over time, the effect will be observed by buyers in the same way you would notice any individual publisher getting more efficient in setting floor prices for valuable inventory. That would be observable to you as a potential change in your ROI. Since maximizing pub revenue also requires delivering compelling ROI for buyers, we expect there will be a natural feedback loop ensuring dynamic prices do not rise beyond what the market will bear.

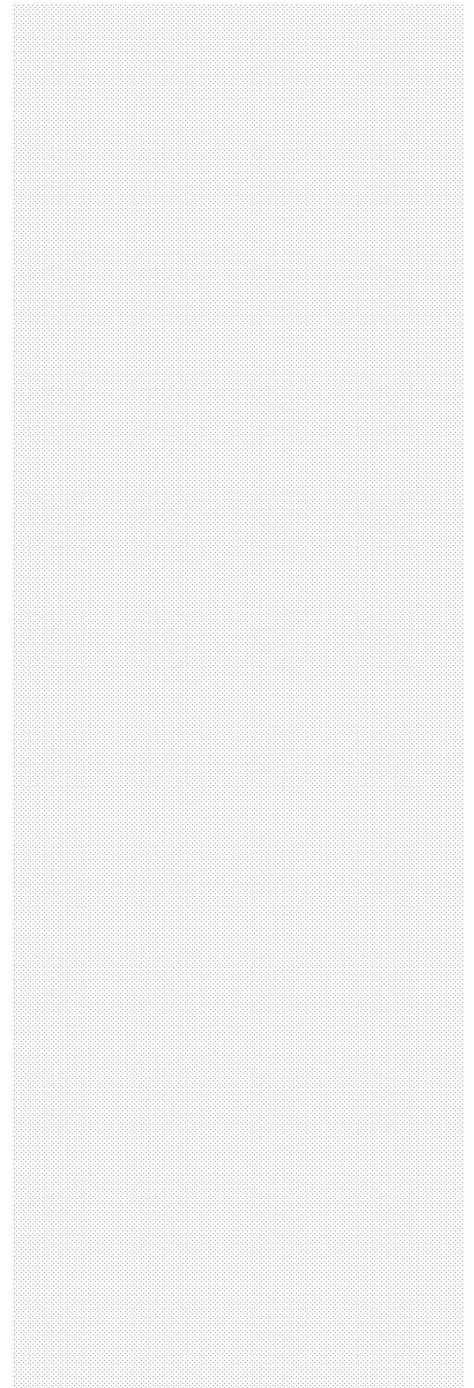
For comms team only:

EXTERNAL, VERBAL ONLY, FAQs (Publishers):

Q: How should publishers rethink their current floor price strategy?

A: Open Auction floors should reflect the minimum you are willing to sell inventory for, dynamic pricing will take care of the rest. If you were previously adjusting prices regularly to try to extract

Let's also talk about getting some regular meetings on cal over the next few weeks to ensure we stay connected.



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We should also emphasize market structure issues -- that pubs are already dissatisfied with auctions not getting them fair value, and that pubs have been taking action to address this already for years with manually calculated floors, complicated waterfall setups, and even hiring third parties to calculate dynamic floors. We are trying to improve things by doing it in the product without needing all that clunky stuff.

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added some wording that I think addresses this

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Use the bigger change story here -- Google has used opt techniques on AdWords and AdSense for years to increase publisher payouts while delivering great advertiser ROI, we are now bringing similar technology to AdX

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Is this accurate? Could use a clause like this indicating where the dynamic reserve price comes from.

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Here's what we have in the talking points above:

"To price as intelligently as possible, all event level data from past auctions may be considered (subject to contract terms). This means a buyer's historic bids may be used as part of the prediction model to set a price for them."

For press, I'd suggest we drop the second sentence.

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what is this referring to? headerbidding?

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Would we ever consider different treatment if a buyer submitted two bids consistently?

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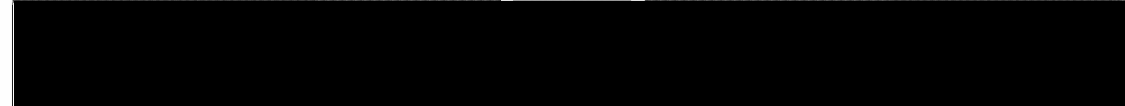
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+ [REDACTED]@google.com per our discussion

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